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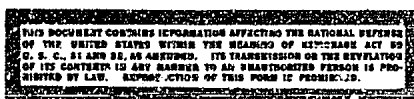
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INCREASE IN HUNGARY'S ARMS PRODUCTION FOR USSR

Vienna, 4 March -- The USSR has increased its demands for all sorts of war material from the Satellite states, according to information received here. The most important reason for this is considered to be the great effect on the East bloc of the export embargo of the Western powers on so-called strategic commodities.

Hungary, for example, recently received an order to increase its export of oil to the USSR by at least 30 percent. Even previously, the USSR took the larger part of Hungary's oil production, estimated at 40,000-50,000 tons annually. The most important oil wells at Lispe, the refineries at Oszod, and the ports on the Danube are all under Soviet control. Furthermore, the work on producing synthetic petroleum products is given high priority in Budapest.

Seventy percent of Hungary's aluminum production also is said to be shipped to the USSR, under the terms of an agreement signed by Hungary and the USSR. It is reported that from the Danube port of Komarom alone 6,000 tons of bauxite per month are shipped over the Black Sea.

The largest arms factory working for the USSR continues to be the Skoda Works in Plzen, Czechoslovakia, now renamed the Lenin Works. The Czech Minister for Heavy Industry, Kliment, last month gave orders that production during 1952 must be increased by 30 percent. The factory produces primarily tanks and heavy artillery. Hungary is also delivering an increased quantity of other war materiel to the USSR as "reparations." During a 4-week period recently, the factory at Tetyeny near Budapest is said to have delivered 44,000 mines, 16,000 8.5-centimeter antitank shells, 18,000 10.5-centimeter antiaircraft shells, and a considerable quantity of explosives.

Many factories in Hungary have been converted to war production and have been assigned special code numbers. For example, a household equipment factory in Budapest was recently switched to the production of parts for flame throwers.

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There is no proof that combat aircraft are being produced anywhere in the Satellite countries, but many factories are working on aircraft engines, fuselages, and accessories. It is reported, for example, that the former Romanian tractor factories in Brasov and the Hungarian plants in Geepel, Győr, and Matyasfold are among these. The assembly of aircraft parts is being carried on to an increased extent in Czechoslovakia.

The Cominform countries are also engaged in a large shipbuilding program for the USSR. The most important shipyards for naval vessels are in Poland and on the Black Sea, but the shipyards on the Danube are also fully occupied. The shipyard at Kosarno, Slovakia, has announced that all production during 1953 will go to the USSR. The Hungarian shipyards of Ganz and Obuda near Budapest also are building vessels, tugboats, and hoisting cranes, which are delivered gratis to the USSR as "war reparations."

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